

State of Utah

Department of Natural Resources

ROBERT L. MORGAN Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON Division Director OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 10, 2004

Loy Crapo The Bug House 350 East 300 South P.O. Box 1113 Delta, Utah 84624

Subject: Second Notice - Delinquent Permit Fees, Further Mining is
Suspended - Enforcement Rules in Effect, Minerals Regulatory
Program

Dear Mr. Crapo:

Our records indicate that we have not received your annual permit fee payment(s) for the 2004 fiscal year, which was due on or before July 30, 2004 (see R647-2-101.6, R647-3-1-1.7, and R647-4-101.5). Non-payment of permit fees suspends an operator's authorization to conduct exploration or mining operations until the permit fees have been received by this office. THEREFORE, YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS HEREBY SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED. Please note that the payment of permit fees is required until the site has been formally released by the division.

You have previously been informed that effective June 1, 2004, Inspection and Enforcement Rules were implemented in the Minerals Regulatory Program, per a 2002 Legislative mandate. Before fully enforcing the rule for non payment of permit fees at this time, the Division will allow you until August 31, 2004 to pay the delinquent permit fees. If the delinquent permit fees are not received before August 31, 2004, the Enforcement Rules will be imposed and you will be issued a Notice of Violation and a fine could be assessed. If you are found mining at your site before the fee is paid, another Notice of Violation would be issued and a fine will be imposed. Please be advised that fines are assessed for each separate violation.



Page 2 of 2 Second Notice 2004-2005 Permit Fees August 10, 2004

We have enclosed a "Delinquency Notice" along with this letter. Please return the bottom portion with your fee payment to ensure the money is posted to the correct account. Operations may resume upon our receipt of the required fees. If you have already sent in your payment, please accept our thanks and disregard this notice.

We hope to avoid taking any enforcement action regarding the fee payments. Please: 1) submit your payment by August 31, 2004; 2) check the box, if the site is fully reclaimed and revegetated; thereby requesting a site inspection; or 3) contact us immediately.

If you have any questions regarding this letter, please contact me at (801) 538-5325 or Joelle Burns at 538-5291. Your <u>immediate</u> attention to this matter is imperative.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

R. Haddork

DRH:jb

Enclosure: Delinquency Notice

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Olene .S. Walker Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

THE BUG HOUSE 350 E 300 S PO BOX 1113 DELTA UT 84624

ATTENTION: LOY CRAPO

DELINQUENCY NOTICE Annual Permit Fees (July 2004 thru June 2005) PROJECT NAME **PROJECT ID ACRES BILLING DATE** DRUM SLATE #1 S230072 NA 06/29/2004 **PERMIT TYPE PROJECT STATUS ANNUAL FEE** SMALL MINING OPERATION < 5 ACRES **ACTIVE** \$ 150

DUE DATE	AMOUNT DUE		
07/30/2004	\$ 150		

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

THE BUG HOUSE		DRUM SLATE #1			PROJECT ID	
					S230072	
DUE DATE 07/30/2004	ANNUAL FEE \$ 150	AMOUNT DUE	FEE NOT ENCLOSED Permittee requests	Change of Address Contact		
TAX ID OR SOCIAL SECURITY # an inspection to close out this permit.			Address			
		GAS AND MINI		E-mail addr	ess	
PO BOX 145801 SALT LAKE CITY UT 84114-5801			State	Zip		

Please make check payable to:
Division of Oil, Gas and Mining